

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2008-261-C - ORDER NO. 2008-737

OCTOBER 28, 2008

IN RE: Application of NexUSTel, LLC for a)	ORDER GRANTING
Certificate of Public Convenience and)	CERTIFICATE AND
Necessity to Provide Resold Interexchange)	APPROVING MODIFIED
Telecommunications Services to and from all)	ALTERNATIVE
Points throughout the State of South Carolina)	REGULATION
and for Alternative Regulation)	
)	
)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of NexUSTel, LLC (“NexUSTel” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2007) and the rules and regulations of the Commission. By its Application, NexUSTel also requests alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission’s Docketing Department instructed NexUSTel to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of NexUSTel and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. NexUSTel complied with this

instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed. Subsequently, NexUSTel and the Office of Regulatory Staff (“ORS”) filed a Settlement Agreement attached hereto as Order Exhibit 1. A hearing was convened on October 6, 2008, at 2:30 p.m. in the offices of the Commission in Columbia, South Carolina, before David Butler, Hearing Examiner. NexUSTel was represented by John J. Pringle, Jr., Esquire. The Office of Regulatory Staff (“ORS”) was represented by C. Lessie Hammonds, Esquire.

Jorge Asecio, President of the Company, testified in support of the Company’s Application. The record reveals that NexUSTel is a limited liability company organized under the laws of the State of Delaware and that it is registered to transact business in South Carolina. According to Mr. Asecio, the Company seeks authority as a reseller of interexchange services. Mr. Asecio explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company intends to concentrate its marketing on the Hispanic community. Mr. Asecio also discussed NexUSTel’s technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Asecio offered that NexUSTel possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company’s Application and Mr. Asecio’s testimony both evidence that NexUSTel’s management has extensive experience in telecommunications, information technology, regulatory matters, accounting, and finance. Mr. Asecio also testified that NexUSTel will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders.

Mr. Asecio offered that approval of NexUSTel's Application would serve the public interest. Mr. Asecio, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained in New York. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). NexUSTel maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company requests that it not be required to publish local exchange directories and therefore requests waiver of 26 S.C. Code Ann. Regs. 103-631. Also, NexUSTel requests waiver of 103-612.2.3, which requires the filing of operating area maps.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. NexUSTel is organized as a limited liability company under the laws of the State of Delaware, and is authorized to do business in South Carolina by the Secretary of State.
2. NexUSTel desires to operate as a provider of resold interexchange services in South Carolina.
3. We find that NexUSTel possesses the managerial experience and capability to operate as a resale provider of interexchange services in South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that NexUSTel possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to NexUSTel to operate as a reseller of interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6. NexUSTel requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds NexUSTel's requested waiver reasonable and understands the potential difficulty presented to NexUSTel should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that a waiver of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3 is reasonable and in the public interest.

7. The Company has the managerial, technical, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. The Commission concludes that NexUSTel possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that NexUSTel will participate in the support of universally available telephone service at affordable rates to the extent that NexUSTel may be required to do so by the Commission.

3. The Commission concludes that NexUSTel will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of NexUSTel's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by NexUSTel will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate interexchange telecommunications services as requested by NexUSTel and as set forth in its Application and Mr. Asecio's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to NexUSTel to provide resold and facilities-based intrastate interexchange telecommunications services.

8. The Commission adopts a rate design for NexUSTel for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re:*

Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9. NexUSTel shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. NexUSTel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2007).

10. The Commission concludes that NexUSTel's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to

those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

If an investigation of a particular tariff filing is instituted within seven days of the filing date, the tariff filing will then be suspended until further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within seven days of the filing date.

11. We conclude that NexUSTel’s request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs.

103-631, which requires publication of a local telephone directory, and 26 S.C. Code Ann. Regs. 103-612.2.3, which requires the filing of operating area maps.

12. The Settlement Agreement between the parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to NexUSTel to provide intrastate interexchange service as a facilities-based carrier or through the resale of services authorized for resale by tariffs of carriers approved by the Commission.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, NexUSTel shall file its revised tariff, if any, and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The filed tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the NexUSTel-ORS Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. NexUSTel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If NexUSTel changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, NexUSTel shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (47 C.F.R. § 51.209). Specifically, NexUSTel shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. NexUSTel shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, NexUSTel shall keep financial records on an intrastate basis for South Carolina to

comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS's website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **July 1st** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. NexUSTel shall file the names, addresses, and telephone numbers of these

representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/forMr.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. At the hearing, NexUSTel requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2007), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The Commission finds NexUSTel’s requested waiver reasonable and understands the potential difficulty presented to NexUSTel should the waiver not be granted. The Commission therefore grants the requested waiver. However, NexUSTel shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and NexUSTel shall promptly notify the Commission and ORS if the location of its books and records changes.

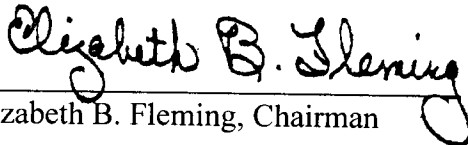
12. NexUSTel also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, NexUSTel maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other

competitive telecommunications carriers. Accordingly, NexUSTel requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above, as well as waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3.

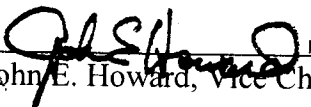
13. The Settlement Agreement between the parties is hereby approved.

14. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Howard, Vice Chairman
(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-261-C

In Re:)	
Application of NexUSTel, LLC)	
for a Certificate of Public Convenience)	
and Necessity to Provide Resold)	SETTLEMENT AGREEMENT
Interexchange Telecommunications)	
Services to and from all Points)	
throughout the State of South Carolina)	
and for Alternative Regulation)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and NexUSTel, LLC ("NexUSTel" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on July 7, 2008, NexUSTel filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing NexUSTel to provide resold interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange services, pursuant to S.C. Code Ann. § 58-9-585; (iii) waiver of Regulation 103-610 regarding location of records; and (iv) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("ASOA");

WHEREAS on July 9, 2008, the Commission issued a Notice of Filing and Hearing and established a return date of August 12, 2008, for the filing of letters of protest or petitions to intervene and established a hearing date of October 6, 2008 for the application to be heard before a hearing examiner;

WHEREAS, on July 2, 2008, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this docket;

WHEREAS, on June 13, 2008, the Commission issued its Order No. 2008-412 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on August 25, 2008, NexUSTel pre-filed the direct testimony of Jorge Asecio with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by NexUSTel and its requests (i) for a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange services (iii) for waiver of Commission Regulation, 103-610 regarding location of records; and (iv) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of NexUSTel to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by NexUSTel, and ORS has calculated certain performance ratios based upon information provided by the NexUSTel;

WHEREAS, ORS has investigated the services to be offered by NexUSTel and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by NexUSTel;

WHEREAS, ORS has reviewed the pre-filed testimony of Jorge Asecio;

WHEREAS, as a result of its investigations, ORS has determined (a) NexUSTel intends to offer resold long-distance telecommunications services, and will offer retail voice services in a prepaid and presubscribed basis; intends to offer Primary Interexchange Service which is a non-prepaid interlata and intraLATA toll service; (b) the officers of NexUSTel possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, NexUSTel appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) NexUSTel's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the provision of services by NexUSTel will not adversely impact the availability of affordable telecommunications services; (f) to the extent it is required to do so by the Commission, NexUSTel will participate in the support of universally available telephone service at affordable rates; and (g) the provision of interexchange services by NexUSTel will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that NexUSTel's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of NexUSTel's witness Jorge Asecio without cross-examination by ORS;

3) The Parties agree that NexUSTel should be granted a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the state of South Carolina;

4) NexUSTel has requested a waiver of 26 S.C. Code Ann. Regulation 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing NexUSTel to maintain its books and records outside of the State of South Carolina in exchange for NexUSTel agreeing to provide ORS access to its books and records. ORS is agreeable to NexUSTel maintaining its books and records at its offices in the State of Florida, and NexUSTel agrees to notify ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties in compliance with any state or federal regulation;

5) NexUSTel has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). NexUSTel acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe

systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. NexUSTel agrees to keep its books, papers, and records in such a manner that permits ORS to audit the company's South Carolina revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. NexUSTel agrees to complete the reporting forms for such programs as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

6) ORS does not oppose NexUSTel's requests for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for NexUSTel's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant NexUSTel the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

- 7) NexUSTel agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission;
- 8) NexUSTel agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;
- 9) NexUSTel agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as NexUSTel. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.
- 10) NexUSTel agrees to maintain its books and records in a manner that would permit ORS to discern NexUSTel's South Carolina operations in any of the company's reports filed with the Commission and provided to ORS.
- 11) NexUSTel agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.
- 12) Prior to offer prepaid calling card and/or long distance services in South Carolina, NexUSTel agrees that it shall post a surety bond in the amount of \$5,000 as required by the Commission;
- 13) In the event that NexUSTel offers long distance services to end users, NexUSTel agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, NexUSTel agrees to

comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

14) NexUSTel agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, NexUSTel agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document.

15) It is understood and agreed that NexUSTel will not offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," but in the event that NexUSTel in the future offers or provides a service to which Title 23, Chapter 47 of the South Carolina Code regarding "Public Safety Communications Centers," also known as 911 services, NexUSTel agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At that time, NexUSTel agrees to contact the appropriate authorities regarding 911 services in the counties and cities where NexUSTel will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding NexUSTel's operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators; NexUSTel agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

16) NexUSTel agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS' recommendations.

17) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

18) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

19) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the

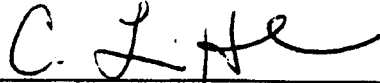
Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

20) This Settlement Agreement shall be interpreted according to South Carolina law.

21) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

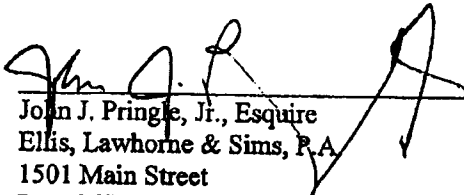


C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Telephone: (803) 737-0803
Fax: (803) 737-0895
Email: hammon@regstaff.sc.gov

09/30/08
Date

WE AGREE:

Representing NexUSTel, LLC



John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
1501 Main Street
Post Office Box 2285
Columbia, SC 29202
Telephone: (803) 343-1270
Fax: (803) 799-8479
jpringle@ellislawhorne.com

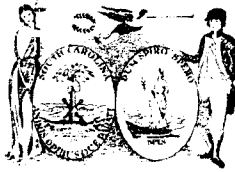
9/30/08
Date

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH
WILLIAM GILLESPIE
(803) 734-3805

GEODETIC SURVEY
5 GEOLOGY ROAD
COLUMBIA, S.C. 29210
LEWIS LAPINE
(803) 896-7700

DIGITAL CARTOGRAPHY
(803) 734-3802

HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941